

AMENDED IN SENATE AUGUST 20, 2010

AMENDED IN SENATE AUGUST 17, 2010

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY MAY 13, 2010

AMENDED IN ASSEMBLY MAY 6, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2136**

**Introduced by Assembly Members V. Manuel Pérez and Salas**

(Principal coauthor: Senator Ducheny)

February 18, 2010

---

An act to amend Section 50650.3 of the Health and Safety Code, ~~and to amend Sections 218, 17207, and 24347.5 of,~~ and to add Sections 195.170, 195.171, ~~and 195.172~~ 195.172, 218.3, 17207.3, and 24347.8 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2136, as amended, V. Manuel Pérez. Disaster relief: County of Imperial earthquake.

(1) Existing law, the CalHome Program, authorizes funds appropriated for purposes of the program to be used to enable low- and very low income households to become or remain homeowners. Existing

law permits CalHome Program financial assistance to be provided as a secured forgivable loan to an individual household to rehabilitate, repair, or replace manufactured housing in a mobilehome park that is not permanently affixed to a foundation. Existing law requires that these loans be due and payable in 20 years, with 10% of the original principal to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the borrower.

This bill would require that loans provided pursuant to the CalHome Program Disaster Assistance for Imperial County that have been made for the purpose of rehabilitation, reconstruction, or replacement of lower income owner-occupied manufactured homes be due and payable in 10 years, with 20% of the original principal to be forgiven annually for each additional year beyond the 5th year that the manufactured home is owned and continuously occupied by the borrower.

(2) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Imperial, which was declared by the Governor to be in a state of emergency due to the earthquake that occurred on April 4, 2010.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing the County of Imperial for these property tax revenue reductions, this bill would make an appropriation.

(3) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would prohibit any dwelling that qualified for the exemption prior to April 4, 2010, that was damaged or destroyed by the earthquake in the County of Imperial, and that has not changed ownership since April 4, 2010, from being denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the earthquake.

(4) The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(6) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of Imperial as a result of the earthquake that occurred in April 2010. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(7) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 50650.3 of the Health and Safety Code is amended to read:

50650.3. (a) Funds appropriated for purposes of this chapter shall be used to enable low- and very low income households to become or remain homeowners. Funds shall be provided by the department to local public agencies or nonprofit corporations as either of the following:

(1) Grants for programs that assist individual households.

(2) Loans that assist development projects involving multiple home ownership units, including single-family subdivisions.

(b) (1) Grant funds may be used for first-time homebuyer downpayment assistance, home rehabilitation, including the installation or retrofit of ignition resistant exterior components on existing manufactured homes, mobilehomes, and accessory structures required pursuant to Article 2.3 (commencing with Section 4200) of Subchapter 2 of Chapter 3 of Division 1 of Title 25 of the California Code of Regulations, homebuyer counseling, home acquisition and rehabilitation, or self-help mortgage assistance programs, or for technical assistance for self-help and shared housing home ownership.

(2) Home rehabilitation funding for the purpose of installing ignition resistant components on manufactured homes, mobilehomes, or accessory structures pursuant to this subdivision shall not be conditioned upon the rehabilitation of additional or unrelated home components unless that rehabilitation is required pursuant to Article 2.3 (commencing with Section 4200) of Subchapter 2 of Chapter 3 of Division 1 of Title 25 of the California Code of Regulations. In administering funding for this purpose, local public agencies and nonprofit corporations may consider the condition and age of the manufactured home or mobilehome, including whether the home was constructed on or after June 15, 1976, in accordance with federal standards and whether the available funds could be more effectively used to replace the manufactured home or mobilehome.

(c) Except as provided in subdivision (e), loan funds may be used for purchase of real property, site development, predevelopment, and construction period expenses incurred on home ownership development projects, and permanent financing

for mutual housing or cooperative developments. Upon completion of construction, the department may convert project loans into grants for programs of assistance to individual homeowners. Financial assistance provided to individual households shall be in the form of deferred payment loans, repayable upon sale or transfer of the homes, when they cease to be owner-occupied, or upon the loan maturity date. Financial assistance may be provided in the form of a secured forgivable loan to an individual household to rehabilitate, repair, or replace manufactured housing located in a mobilehome park and not permanently affixed to a foundation. The loan shall be due and payable in 20 years, with 10 percent of the original principal to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the borrower. Not more than 10 percent of the funds available for the purposes of this chapter in a fiscal year shall be used for financial assistance in the form of secured forgivable loans.

(d) All loan repayments shall be used for activities allowed under this section, and shall be governed by a reuse plan approved by the department. Those reuse plans may provide for loan servicing by the grant recipient or a third-party local government agency or nonprofit corporation.

(e) Notwithstanding subdivision (c), loans provided pursuant to the CalHome Program Disaster Assistance for Imperial County that have been made for the purpose of rehabilitation, reconstruction, or replacement of lower income owner-occupied manufactured homes shall be due and payable in 10 years, with 20 percent of the original principal to be forgiven annually for each additional year beyond the fifth year that the manufactured home is owned and continuously occupied by the borrower.

SEC. 2. Section 195.170 is added to the Revenue and Taxation Code, to read:

195.170. (a) By October 30, 2010, the auditor of the County of Imperial, which was the subject of the Governor's proclamation of a state of emergency for the earthquake that occurred on April 4, 2010, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for the 2009–10 fiscal year resulting from the reassessment by the county assessor pursuant to paragraph (1) of subdivision (a) of Section 170 of those

1 properties that are eligible properties as a result of that disaster,  
2 except that the amount certified shall not include any estimated  
3 property tax revenue reductions to school districts, other than basic  
4 state aid school districts, and county offices of education.

5 (b) For purposes of this section, “basic state aid school district”  
6 means any school district that does not receive a state  
7 apportionment pursuant to subdivision (h) of Section 42238 of the  
8 Education Code, but receives from the state only a basic  
9 apportionment pursuant to Section 6 of Article IX of the California  
10 Constitution.

11 SEC. 3. Section 195.171 is added to the Revenue and Taxation  
12 Code, to read:

13 195.171. After the county auditor of the eligible county, as  
14 described in Section 195.170, has made the applicable certification  
15 to the Director of Finance pursuant to that section, the director  
16 shall, within 30 days after verification of the county auditor’s  
17 estimate, certify this amount to the Controller for allocation to the  
18 county. Upon receipt of certification from the Director of Finance,  
19 the Controller shall make the appropriate allocation to the county  
20 within 10 working days.

21 SEC. 4. Section 195.172 is added to the Revenue and Taxation  
22 Code, to read:

23 195.172. (a) On or before June 30, 2011, an eligible county,  
24 as described in Section 195.170, shall compute and remit to the  
25 Controller for deposit in the General Fund an amount equal to the  
26 amount allocated to it by the Controller pursuant to Section  
27 195.171, less the actual amount of its property tax revenue lost on  
28 the regular secured and supplemental rolls with respect to those  
29 eligible properties described in Section 195.170 as a result of the  
30 reassessment of those properties pursuant to paragraph (1) of  
31 subdivision (a) of Section 170, excluding any property tax revenue  
32 lost by school districts, other than basic state aid school districts,  
33 and county offices of education. If the actual amount of property  
34 tax revenue lost by an eligible county in the immediately preceding  
35 fiscal year, as described and limited in the preceding sentence,  
36 exceeds the amount allocated by the Controller to that county  
37 pursuant to Section 195.171, the Controller shall allocate the  
38 amount of that excess to that eligible county.

39 (b) For purposes of this section, “basic state aid school district”  
40 means any school district that does not receive a state

1 apportionment pursuant to subdivision (h) of Section 42238 of the  
2 Education Code, but receives from the state only a basic  
3 apportionment pursuant to Section 6 of Article IX of the California  
4 Constitution.

5 ~~SEC. 5. Section 218 of the Revenue and Taxation Code is~~  
6 ~~amended to read:~~

7 ~~218. (a) The homeowners' property tax exemption is in the~~  
8 ~~amount of the assessed value of the dwelling specified in this~~  
9 ~~section, as authorized by subdivision (k) of Section 3 of Article~~  
10 ~~XIII of the California Constitution. That exemption shall be in the~~  
11 ~~amount of seven thousand dollars (\$7,000) of the full value of the~~  
12 ~~dwelling.~~

13 ~~(b) The exemption does not extend to property that is rented,~~  
14 ~~vacant, under construction on the lien date, or that is a vacation or~~  
15 ~~secondary home of the owner or owners, nor does it apply to~~  
16 ~~property on which an owner receives the veteran's exemption.~~

17 ~~(c) For purposes of this section, all of the following apply:~~

18 ~~(1) "Owner" includes a person purchasing the dwelling under~~  
19 ~~a contract of sale or who holds shares or membership in a~~  
20 ~~cooperative housing corporation, which holding is a requisite to~~  
21 ~~the exclusive right of occupancy of a dwelling.~~

22 ~~(2) (A) "Dwelling" means a building, structure, or other shelter~~  
23 ~~constituting a place of abode, whether real property or personal~~  
24 ~~property, and any land on which it may be situated. A two-dwelling~~  
25 ~~unit shall be considered as two separate single-family dwellings.~~

26 ~~(B) "Dwelling" includes the following:~~

27 ~~(i) A single-family dwelling occupied by an owner thereof as~~  
28 ~~his or her principal place of residence on the lien date.~~

29 ~~(ii) A multiple-dwelling unit occupied by an owner thereof on~~  
30 ~~the lien date as his or her principal place of residence.~~

31 ~~(iii) A condominium occupied by an owner thereof as his or her~~  
32 ~~principal place of residence on the lien date.~~

33 ~~(iv) Premises occupied by the owner of shares or a membership~~  
34 ~~interest in a cooperative housing corporation, as defined in~~  
35 ~~subdivision (i) of Section 61, as his or her principal place of~~  
36 ~~residence on the lien date. Each exemption allowed pursuant to~~  
37 ~~this subdivision shall be deducted from the total assessed valuation~~  
38 ~~of the cooperative housing corporation. The exemption shall be~~  
39 ~~taken into account in apportioning property taxes among owners~~  
40 ~~of share or membership interests in the cooperative housing~~

1 corporations so as to benefit those owners who qualify for the  
2 exemption.

3 (d) Any dwelling that qualified for an exemption under this  
4 section prior to October 20, 1991, that was damaged or destroyed  
5 by fire in a disaster, as declared by the Governor, occurring on or  
6 after October 20, 1991, and before November 1, 1991, and that  
7 has not changed ownership since October 20, 1991, shall not be  
8 disqualified as a “dwelling” or be denied an exemption under this  
9 section solely on the basis that the dwelling was temporarily  
10 damaged or destroyed or was being reconstructed by the owner.

11 (e) Any dwelling that qualified for an exemption under this  
12 section prior to October 15, 2003, that was damaged or destroyed  
13 by fire or earthquake in a disaster, as declared by the Governor,  
14 during October, November, or December 2003, and that has not  
15 changed ownership since October 15, 2003, shall not be  
16 disqualified as a “dwelling” or be denied an exemption under this  
17 section solely on the basis that the dwelling was temporarily  
18 damaged or destroyed or was being reconstructed by the owner.

19 (f) Any dwelling that qualified for an exemption under this  
20 section prior to June 3, 2004, that was damaged or destroyed by  
21 flood in a disaster, as declared by the Governor, during June 2004,  
22 and that has not changed ownership since June 3, 2004, shall not  
23 be disqualified as a “dwelling” or be denied an exemption under  
24 this section solely on the basis that the dwelling was temporarily  
25 damaged or destroyed or was being reconstructed by the owner.

26 (g) Any dwelling that qualified for an exemption under this  
27 section prior to August 11, 2004, that was damaged or destroyed  
28 by the wildfires and any other related casualty that occurred in  
29 Shasta County in a disaster, as declared by the Governor, during  
30 August 2004, and that has not changed ownership since August  
31 11, 2004, shall not be disqualified as a “dwelling” or be denied an  
32 exemption under this section solely on the basis that the dwelling  
33 was temporarily damaged or destroyed or was being reconstructed  
34 by the owner.

35 (h) Any dwelling that qualified for an exemption under this  
36 section prior to December 28, 2004, that was damaged or destroyed  
37 by severe rainstorms, floods, mudslides, or the accumulation of  
38 debris in a disaster, as declared by the Governor, during December  
39 2004, January 2005, February 2005, March 2005, or June 2005,  
40 and that has not changed ownership since December 28, 2004,



1 shall not be disqualified as a “dwelling” or be denied an exemption  
2 under this section solely on the basis that the dwelling was  
3 temporarily damaged or destroyed or was being reconstructed by  
4 the owner, or was temporarily uninhabited as a result of restricted  
5 access to the property due to floods, mudslides, the accumulation  
6 of debris, or washed-out or damaged roads.

7 (i) Any dwelling that qualified for an exemption under this  
8 section prior to December 19, 2005, that was damaged or destroyed  
9 by severe rainstorms, floods, mudslides, or the accumulation of  
10 debris in a disaster, as declared by the Governor in January 2006,  
11 April 2006, May 2006, or June 2006, and that has not changed  
12 ownership since December 19, 2005, shall not be disqualified as  
13 a “dwelling” or be denied an exemption under this section solely  
14 on the basis that the dwelling was temporarily damaged or  
15 destroyed or was being reconstructed by the owner, or was  
16 temporarily uninhabited as a result of restricted access to the  
17 property due to floods, mudslides, the accumulation of debris, or  
18 washed-out or damaged roads.

19 (j) Any dwelling that qualified for an exemption under this  
20 section prior to July 9, 2006, that was damaged or destroyed by  
21 the wildfires and any other related casualty that occurred in the  
22 County of San Bernardino, as declared by the Governor in July  
23 2006, and that has not changed ownership since July 9, 2006, shall  
24 not be disqualified as a “dwelling” or be denied an exemption  
25 under this section solely on the basis that the dwelling was  
26 temporarily damaged or destroyed or was being reconstructed by  
27 the owner, or was temporarily uninhabited as a result of restricted  
28 access to the property due to the wildfires.

29 (k) Any dwelling that qualified for an exemption under this  
30 section prior to the commencement dates of the wildfires listed in  
31 the Governor’s proclamations of 2006 that was damaged or  
32 destroyed by the wildfires and any other related casualty that  
33 occurred in the Counties of Riverside and Ventura, and that has  
34 not changed ownership since the commencement dates of these  
35 disasters as listed in the Governor’s proclamations of 2006 shall  
36 not be disqualified as a “dwelling” or be denied an exemption  
37 under this section solely on the basis that the dwelling was  
38 temporarily damaged or destroyed or was being reconstructed by  
39 the owner, or was temporarily uninhabited as a result of restricted  
40 access to the property due to the wildfires.

~~(l) Any dwelling that qualified for an exemption under this section prior to January 11, 2007, that was damaged or destroyed by severe freezing conditions, commencing January 11, 2007, and any other related casualty that occurred in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a result of a disaster as declared by the Governor, and that has not changed ownership since January 11, 2007, shall not be disqualified as a “dwelling” or be denied an exemption under this section solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to severe freezing conditions.~~

~~(m) Any dwelling that qualified for an exemption under this section prior to June 24, 2007, that was damaged or destroyed by the wildfires and any other related casualty that occurred as a result of this disaster in the County of El Dorado, as declared by the Governor in June 2007, and that has not changed ownership since June 24, 2007, shall not be disqualified as a “dwelling” or be denied an exemption under this section solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the wildfires.~~

~~(n) Any dwelling that qualified for an exemption under this section prior to July 4, 2007, that was damaged or destroyed by the Zaca Fire and any other related casualty that occurred as a result of this disaster in the Counties of Santa Barbara and Ventura, as declared by the Governor in August 2007, and that has not changed ownership since July 4, 2007, may not be denied an exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the Zaca Fire.~~

~~(o) Any dwelling that qualified for an exemption under this section prior to July 6, 2007, that was damaged or destroyed by the wildfires and any other related casualty that occurred as a result of this disaster in the County of Inyo, as declared by the Governor in July 2007, and that has not changed ownership since July 6, 2007, may not be denied an exemption solely on the basis that the~~

1 dwelling was temporarily damaged or destroyed or was being  
2 reconstructed by the owner, or was temporarily uninhabited as a  
3 result of restricted access to the property due to the wildfires.

4 (p) Any dwelling that qualified for an exemption under this  
5 section prior to the commencement dates of the wildfires listed in  
6 the Governor's disaster proclamations of September 15, 2007, and  
7 October 21, 2007, that was damaged or destroyed by the wildfires  
8 and any other related casualty that occurred in the Counties of Los  
9 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa  
10 Barbara, and Ventura, and that has not changed ownership since  
11 the commencement dates of these disasters as listed in the  
12 proclamations shall not be disqualified as a "dwelling" or be denied  
13 an exemption under this section solely on the basis that the  
14 dwelling was temporarily damaged or destroyed or was being  
15 reconstructed by the owner, or was temporarily uninhabited as a  
16 result of restricted access to the property due to the wildfires.

17 (q) Any dwelling that qualified for an exemption under this  
18 section prior to October 20, 2007, that was damaged or destroyed  
19 by the extremely strong and damaging winds and any other related  
20 casualty that occurred as a result of this disaster in the County of  
21 Riverside, as declared by the Governor in November 2007, and  
22 that has not changed ownership since October 20, 2007, shall not  
23 be disqualified as a "dwelling" or be denied an exemption under  
24 this section solely on the basis that the dwelling was temporarily  
25 damaged or destroyed or was being reconstructed by the owner,  
26 or was temporarily uninhabited as a result of restricted access to  
27 the property due to the extremely strong and damaging winds.

28 (r) Any dwelling that qualified for an exemption under this  
29 section prior to the commencement dates of the wildfires listed in  
30 the Governor's disaster proclamations of May, June, or July 2008,  
31 that was damaged or destroyed by the wildfires and any other  
32 related casualty that occurred in the Counties of Butte, Kern,  
33 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,  
34 Shasta, and Trinity and that has not changed ownership since the  
35 commencement dates of these disasters as listed in the  
36 proclamations shall not be disqualified as a "dwelling" or be denied  
37 an exemption under this section solely on the basis that the  
38 dwelling was temporarily damaged or destroyed or was being  
39 reconstructed by the owner, or was temporarily uninhabited as a  
40 result of restricted access to the property due to the wildfires.

1     ~~(s) Any dwelling that qualified for an exemption under this~~  
2     ~~section prior to July 1, 2008, that was damaged or destroyed by~~  
3     ~~the wildfires and any other related casualty that occurred as a result~~  
4     ~~of this disaster in the County of Santa Barbara, as declared by the~~  
5     ~~Governor in July 2008, and that has not changed ownership since~~  
6     ~~July 1, 2008, may not be denied an exemption solely on the basis~~  
7     ~~that the dwelling was temporarily damaged or destroyed or was~~  
8     ~~being reconstructed by the owner, or was temporarily uninhabited~~  
9     ~~as a result of restricted access to the property due to the wildfires.~~

10    ~~(t) Any dwelling that qualified for an exemption under this~~  
11    ~~section prior to July 12, 2008, that was damaged or destroyed by~~  
12    ~~severe rainstorms, floods, landslides, or the accumulation of debris~~  
13    ~~in a disaster, as declared by the Governor, in July 2008, and that~~  
14    ~~has not changed ownership since July 12, 2008, shall not be~~  
15    ~~disqualified as a “dwelling” or be denied an exemption under this~~  
16    ~~section solely on the basis that the dwelling was temporarily~~  
17    ~~damaged or destroyed or was being reconstructed by the owner,~~  
18    ~~or was temporarily uninhabited as a result of restricted access to~~  
19    ~~the property due to floods, landslides, the accumulation of debris,~~  
20    ~~or washed-out or damaged roads.~~

21    ~~(u) Any dwelling that qualified for an exemption under this~~  
22    ~~section prior to May 22, 2008, that was damaged or destroyed by~~  
23    ~~the wildfires and any other related casualty that occurred as a result~~  
24    ~~of this disaster in the County of Humboldt, as declared by the~~  
25    ~~Governor in August 2008, and that has not changed ownership~~  
26    ~~since May 22, 2008, may not be denied an exemption solely on~~  
27    ~~the basis that the dwelling was temporarily damaged or destroyed~~  
28    ~~or was being reconstructed by the owner, or was temporarily~~  
29    ~~uninhabited as a result of restricted access to the property due to~~  
30    ~~the wildfires.~~

31    ~~(v) Any dwelling that qualified for an exemption under this~~  
32    ~~section prior to the commencement dates of the wildfires that were~~  
33    ~~the subject of the Governor’s disaster proclamations of October~~  
34    ~~13, 2008, and November 15, 2008, that was damaged or destroyed~~  
35    ~~by the wildfires and any other related casualty that occurred in the~~  
36    ~~Counties of Los Angeles and Ventura and that has not changed~~  
37    ~~ownership since the commencement dates of these wildfires, shall~~  
38    ~~not be disqualified as a “dwelling” or be denied an exemption~~  
39    ~~under this section solely on the basis that the dwelling was~~  
40    ~~temporarily damaged or destroyed or was being reconstructed by~~

1 the owner, or was temporarily uninhabited as a result of restricted  
2 access to the property due to the wildfires.

3 (w) Any dwelling that qualified for an exemption under this  
4 section prior to November 13, 2008, that was damaged or destroyed  
5 by the wildfires and any other related casualty that occurred as a  
6 result of this disaster in the County of Santa Barbara, as declared  
7 by the Governor in November 2008, and that has not changed  
8 ownership since November 13, 2008, shall not be disqualified as  
9 a “dwelling” or be denied an exemption under this section solely  
10 on the basis that the dwelling was temporarily damaged or  
11 destroyed or was being reconstructed by the owner, or was  
12 temporarily uninhabited as a result of restricted access to the  
13 property due to the wildfires.

14 (x) Any dwelling that qualified for an exemption under this  
15 section prior to the commencement dates of the wildfires listed in  
16 the Governor’s disaster proclamations of November 15, 2008, and  
17 November 17, 2008, that was damaged or destroyed by the  
18 wildfires and any other related casualty that occurred as a result  
19 of this disaster in the Counties of Orange, Riverside, and San  
20 Bernardino, as declared by the Governor in November 2008, and  
21 that has not changed ownership since the commencement dates of  
22 these disasters as listed in the proclamations, shall not be  
23 disqualified as a “dwelling” or be denied an exemption under this  
24 section solely on the basis that the dwelling was temporarily  
25 damaged or destroyed or was being reconstructed by the owner,  
26 or was temporarily uninhabited as a result of restricted access to  
27 the property due to the wildfires.

28 (y) Any dwelling that qualified for an exemption under this  
29 section prior to May 5, 2009, that was damaged or destroyed by  
30 the wildfires and any other related casualty that occurred as a result  
31 of this disaster in the County of Santa Barbara, as declared by the  
32 Governor in May 2009, and that has not changed ownership since  
33 May 5, 2009, shall not be disqualified as a “dwelling” or be denied  
34 an exemption under this section solely on the basis that the  
35 dwelling was temporarily damaged or destroyed or was being  
36 reconstructed by the owner, or was temporarily uninhabited as a  
37 result of restricted access to the property due to the wildfires.

38 (z) Any dwelling that qualified for an exemption under this  
39 section prior to April 4, 2010, that was damaged or destroyed by  
40 the earthquake and any other related casualty that occurred as a

1 result of the disaster in the County of Imperial, as declared by the  
2 Governor in April 2010, and that has not changed ownership since  
3 April 4, 2010, shall not be disqualified as a “dwelling” or be denied  
4 an exemption under this section solely on the basis that the  
5 dwelling was temporarily damaged or destroyed or was being  
6 reconstructed by the owner, or was temporarily uninhabited as a  
7 result of restricted access to the property due to the earthquake.

8 (aa) The exemption provided for in subdivision (k) of Section  
9 3 of Article XIII of the California Constitution shall first be applied  
10 to the building, structure, or other shelter and the excess, if any,  
11 shall be applied to any land on which it may be located.

12 SEC. 6. Section 17207 of the Revenue and Taxation Code is  
13 amended to read:

14 17207. (a) An excess disaster loss, as defined in subdivision  
15 (e), shall be carried to other taxable years as provided in  
16 subdivision (b), with respect to losses resulting from any of the  
17 following disasters:

18 (1) Forest fire or any other related casualty occurring in 1985  
19 in California.

20 (2) Storm, flooding, or any other related casualty occurring in  
21 1986 in California.

22 (3) Any loss sustained during 1987 as a result of a forest fire or  
23 any other related casualty.

24 (4) Earthquake, aftershock, or any other related casualty  
25 occurring in 1987 in California.

26 (5) Earthquake, aftershock, or any other related casualty  
27 occurring in 1989 in California.

28 (6) Any loss sustained during 1990 as a result of fire or any  
29 other related casualty in California.

30 (7) Any loss sustained as a result of the Oakland/Berkeley Fire  
31 of 1991, or any other related casualty.

32 (8) Any loss sustained as a result of storm, flooding, or any  
33 other related casualty occurring in February 1992 in California.

34 (9) Earthquake, aftershock, or any other related casualty  
35 occurring in April 1992 in the County of Humboldt.

36 (10) Riots, arson, or any other related casualty occurring in  
37 April or May 1992 in California.

38 (11) Any loss sustained as a result of the earthquakes that  
39 occurred in the County of San Bernardino in June and July of 1992,  
40 or any other related casualty.

1     ~~(12) Any loss sustained as a result of the Fountain Fire that~~  
2     ~~occurred in the County of Shasta, or as a result of either of the~~  
3     ~~fires in the Counties of Calaveras and Trinity that occurred in~~  
4     ~~August 1992, or any other related casualty.~~

5     ~~(13) Any loss sustained as a result of storm, flooding, or any~~  
6     ~~other related casualty that occurred in the Counties of Alpine,~~  
7     ~~Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,~~  
8     ~~Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,~~  
9     ~~Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,~~  
10    ~~Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of~~  
11    ~~Fillmore in January 1993.~~

12    ~~(14) Any loss sustained as a result of a fire that occurred in the~~  
13    ~~Counties of Los Angeles, Orange, Riverside, San Bernardino, San~~  
14    ~~Diego, and Ventura, during October or November of 1993, or any~~  
15    ~~other related casualty.~~

16    ~~(15) Any loss sustained as a result of the earthquake, aftershocks,~~  
17    ~~or any other related casualty that occurred in the Counties of Los~~  
18    ~~Angeles, Orange, and Ventura on or after January 17, 1994.~~

19    ~~(16) Any loss sustained as a result of a fire that occurred in the~~  
20    ~~County of San Luis Obispo during August of 1994, or any other~~  
21    ~~related casualty.~~

22    ~~(17) Any loss sustained as a result of the storms or flooding~~  
23    ~~occurring in 1995, or any other related casualty, sustained in any~~  
24    ~~county of this state subject to a disaster declaration with respect~~  
25    ~~to the storms and flooding.~~

26    ~~(18) Any loss sustained as a result of the storms or flooding~~  
27    ~~occurring in December 1996 or January 1997, or any related~~  
28    ~~casualty, sustained in any county of this state subject to a disaster~~  
29    ~~declaration with respect to the storms or flooding.~~

30    ~~(19) Any loss sustained as a result of the storms or flooding~~  
31    ~~occurring in February 1998, or any related casualty, sustained in~~  
32    ~~any county of this state subject to a disaster declaration with respect~~  
33    ~~to the storms or flooding.~~

34    ~~(20) Any loss sustained as a result of a freeze occurring in the~~  
35    ~~winter of 1998–99, or any related casualty, sustained in any county~~  
36    ~~of this state subject to a disaster declaration with respect to the~~  
37    ~~freeze.~~

38    ~~(21) Any loss sustained as a result of an earthquake occurring~~  
39    ~~in September 2000, that was included in the Governor's~~  
40    ~~proclamation of a state of emergency for the County of Napa.~~

1     ~~(22) Any loss sustained as a result of the Middle River levee~~  
2     ~~break in San Joaquin County occurring in June 2004.~~

3     ~~(23) Any losses sustained as a result of the fires that occurred~~  
4     ~~in the Counties of Los Angeles, Riverside, San Bernardino, San~~  
5     ~~Diego, and Ventura in October and November 2003, or as a result~~  
6     ~~of floods, mudflows, and debris flows, directly related to fires.~~

7     ~~(24) Any losses sustained in the Counties of Santa Barbara and~~  
8     ~~San Luis Obispo as a result of the San Simeon earthquake,~~  
9     ~~aftershocks, and any other related casualties.~~

10    ~~(25) Any losses sustained as a result of the wildfires that~~  
11    ~~occurred in Shasta County, commencing August 11, 2004, and~~  
12    ~~any other related casualty.~~

13    ~~(26) Any loss sustained in the Counties of Kern, Los Angeles,~~  
14    ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~  
15    ~~and Ventura as a result of the severe rainstorms, related flooding~~  
16    ~~and slides, and any other related casualties, that occurred in~~  
17    ~~December 2004, January 2005, February 2005, March 2005, or~~  
18    ~~June 2005.~~

19    ~~(27) Any loss sustained in the Counties of Alameda, Alpine,~~  
20    ~~Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El~~  
21    ~~Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,~~  
22    ~~Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,~~  
23    ~~Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,~~  
24    ~~Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,~~  
25    ~~Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of~~  
26    ~~the severe rainstorms, related flooding and slides, and any other~~  
27    ~~related casualties, that occurred in December 2005, January 2006,~~  
28    ~~March 2006, or April 2006.~~

29    ~~(28) Any loss sustained in the County of San Bernardino as a~~  
30    ~~result of the wildfires that occurred in July 2006.~~

31    ~~(29) Any loss sustained in the Counties of Riverside and Ventura~~  
32    ~~as a result of wildfires that occurred during the 2006 calendar year.~~

33    ~~(30) Any loss sustained in the Counties of El Dorado, Fresno,~~  
34    ~~Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San~~  
35    ~~Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa~~  
36    ~~Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject~~  
37    ~~of the Governor's proclamations of a state of emergency for the~~  
38    ~~severe freezing conditions that occurred in January 2007.~~

39    ~~(31) Any loss sustained in the County of El Dorado as a result~~  
40    ~~of wildfires that occurred in June 2007.~~



1     ~~(32) Any loss sustained in the Counties of Santa Barbara and~~  
2     ~~Ventura as a result of the Zaca Fire that occurred during the 2007~~  
3     ~~calendar year.~~

4     ~~(33) Any loss sustained in the County of Inyo as a result of~~  
5     ~~wildfires that commenced in July 2007.~~

6     ~~(34) Any loss sustained in the Counties of Los Angeles, Orange,~~  
7     ~~Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~  
8     ~~as a result of wildfires that occurred during the 2007 calendar year~~  
9     ~~that were the subject of the Governor's disaster proclamations of~~  
10    ~~September 15, 2007, and October 21, 2007.~~

11    ~~(35) Any loss sustained in the County of Riverside as a result~~  
12    ~~of extremely strong and damaging winds that occurred in October~~  
13    ~~2007.~~

14    ~~(36) Any loss sustained in the Counties of Butte, Kern,~~  
15    ~~Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,~~  
16    ~~Shasta, and Trinity as a result of wildfires that occurred in May or~~  
17    ~~June 2008 that were the subject of the Governor's proclamations~~  
18    ~~of a state of emergency.~~

19    ~~(37) Any loss sustained in the County of Santa Barbara as a~~  
20    ~~result of wildfires that occurred in July 2008.~~

21    ~~(38) Any loss sustained in the County of Inyo as a result of the~~  
22    ~~severe rainstorms, related flooding and landslides, and any other~~  
23    ~~related casualties, that occurred in July 2008.~~

24    ~~(39) Any loss sustained in the County of Humboldt as a result~~  
25    ~~of wildfires that commenced in May 2008.~~

26    ~~(40) Any loss sustained in the County of Santa Barbara as a~~  
27    ~~result of wildfires that commenced in November 2008.~~

28    ~~(41) Any loss sustained in the Counties of Los Angeles and~~  
29    ~~Ventura as a result of wildfires that commenced in October 2008~~  
30    ~~or November 2008 that were the subject of the Governor's~~  
31    ~~proclamations of a state of emergency.~~

32    ~~(42) Any loss sustained in the Counties of Orange, Riverside,~~  
33    ~~and San Bernardino as a result of wildfires that commenced in~~  
34    ~~November 2008.~~

35    ~~(43) Any loss sustained in the County of Santa Barbara as a~~  
36    ~~result of wildfires that commenced in May 2009.~~

37    ~~(44) Any loss sustained in the County of Imperial as a result of~~  
38    ~~the earthquake that occurred in April 2010.~~

39    ~~(b) (1) In the case of any loss allowed under Section 165(e) of~~  
40    ~~the Internal Revenue Code, relating to limitation of losses of~~

1 individuals, any excess disaster loss shall be carried forward to  
2 each of the five taxable years following the taxable year for which  
3 the loss is claimed. However, if there is any excess disaster loss  
4 remaining after the five-year period, then the applicable percentage,  
5 as set forth in paragraph (1) of subdivision (b) of Section 17276,  
6 of that excess disaster loss shall be carried forward to each of the  
7 next 10 taxable years.

8 (2) The entire amount of any excess disaster loss as defined in  
9 subdivision (e) shall be carried to the earliest of the taxable years  
10 to which, by reason of subdivision (b), the loss may be carried.  
11 The portion of the loss which shall be carried to each of the other  
12 taxable years shall be the excess, if any, of the amount of excess  
13 disaster loss over the sum of the adjusted taxable income for each  
14 of the prior taxable years to which that excess disaster loss is  
15 carried.

16 (e) “Excess disaster loss” means a disaster loss computed  
17 pursuant to Section 165 of the Internal Revenue Code which  
18 exceeds the adjusted taxable income of the year of loss or, if the  
19 election under Section 165(i) of the Internal Revenue Code is  
20 made, the adjusted taxable income of the year preceding the loss.

21 (d) The provisions of this section and Section 165(i) of the  
22 Internal Revenue Code shall be applicable to any of the losses  
23 listed in subdivision (a) sustained in any county or city in this state  
24 which was proclaimed by the Governor to be in a state of disaster.

25 (e) Losses allowable under this section may not be taken into  
26 account in computing a net operating loss deduction under Section  
27 172 of the Internal Revenue Code.

28 (f) For purposes of this section, “adjusted taxable income” shall  
29 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

30 (g) For losses described in paragraphs (15) to (44), inclusive,  
31 of subdivision (a), the election under Section 165(i) of the Internal  
32 Revenue Code may be made on a return or amended return filed  
33 on or before the due date of the return (determined with regard to  
34 extension) for the taxable year in which the disaster occurred.

35 SEC. 7. Section 24347.5 of the Revenue and Taxation Code  
36 is amended to read:

37 24347.5. (a) An excess disaster loss, as defined in subdivision  
38 (e), shall be carried to other taxable years as provided in  
39 subdivision (b), with respect to losses resulting from any of the  
40 following disasters:

1 ~~(1) Forest fire or any other related casualty occurring in 1985~~  
2 ~~in California.~~

3 ~~(2) Storm, flooding, or any other related casualty occurring in~~  
4 ~~1986 in California.~~

5 ~~(3) Any loss sustained during 1987 as a result of a forest fire or~~  
6 ~~any other related casualty.~~

7 ~~(4) Earthquake, aftershock, or any other related casualty~~  
8 ~~occurring in October 1987 in California.~~

9 ~~(5) Earthquake, aftershock, or any other related casualty~~  
10 ~~occurring in October 1989 in California.~~

11 ~~(6) Any loss sustained during 1990 as a result of fire or any~~  
12 ~~other related casualty in California.~~

13 ~~(7) Any loss sustained as a result of the Oakland/Berkeley Fire~~  
14 ~~of 1991, or any other related casualty.~~

15 ~~(8) Any loss sustained as a result of storm, flooding, or any~~  
16 ~~other related casualty occurring in February 1992 in California.~~

17 ~~(9) Earthquake, aftershock, or any other related casualty~~  
18 ~~occurring in April 1992 in the County of Humboldt.~~

19 ~~(10) Riots, arson, or any other related casualty occurring in~~  
20 ~~April or May 1992 in California.~~

21 ~~(11) Any loss sustained as a result of the earthquakes or any~~  
22 ~~other related casualty that occurred in the County of San~~  
23 ~~Bernardino in June and July of 1992.~~

24 ~~(12) Any loss sustained as a result of the Fountain Fire that~~  
25 ~~occurred in the County of Shasta, or as a result of either of the~~  
26 ~~fires in the Counties of Calaveras and Trinity that occurred in~~  
27 ~~August 1992, or any other related casualty.~~

28 ~~(13) Any loss sustained as a result of storm, flooding, or any~~  
29 ~~other related casualty that occurred in the Counties of Alpine,~~  
30 ~~Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,~~  
31 ~~Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,~~  
32 ~~Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,~~  
33 ~~Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of~~  
34 ~~Fillmore in January 1993.~~

35 ~~(14) Any loss sustained as a result of a fire that occurred in the~~  
36 ~~Counties of Los Angeles, Orange, Riverside, San Bernardino, San~~  
37 ~~Diego, and Ventura, during October or November of 1993, or any~~  
38 ~~other related casualty.~~

1     ~~(15) Any loss sustained as a result of the earthquake, aftershocks,~~  
2     ~~or any other related casualty that occurred in the Counties of Los~~  
3     ~~Angeles, Orange, and Ventura on or after January 17, 1994.~~

4     ~~(16) Any loss sustained as a result of a fire that occurred in the~~  
5     ~~County of San Luis Obispo during August of 1994, or any other~~  
6     ~~related casualty.~~

7     ~~(17) Any loss sustained as a result of the storms or flooding~~  
8     ~~occurring in 1995, or any other related casualty, sustained in any~~  
9     ~~county of this state subject to a disaster declaration with respect~~  
10    ~~to the storms and flooding.~~

11    ~~(18) Any loss sustained as a result of the storms or flooding~~  
12    ~~occurring in December 1996 or January 1997, or any related~~  
13    ~~casualty, sustained in any county of this state subject to a disaster~~  
14    ~~declaration with respect to the storms or flooding.~~

15    ~~(19) Any loss sustained as a result of the storms or flooding~~  
16    ~~occurring in February 1998, or any related casualty, sustained in~~  
17    ~~any county of this state subject to a disaster declaration with respect~~  
18    ~~to the storms or flooding.~~

19    ~~(20) Any loss sustained as a result of a freeze occurring in the~~  
20    ~~winter of 1998–99, or any related casualty, sustained in any county~~  
21    ~~of this state subject to a disaster declaration with respect to the~~  
22    ~~freeze.~~

23    ~~(21) Any loss sustained as a result of an earthquake occurring~~  
24    ~~in September 2000, that was included in the Governor's~~  
25    ~~proclamation of a state of emergency for the County of Napa.~~

26    ~~(22) Any loss sustained as a result of the Middle River levee~~  
27    ~~break in San Joaquin County occurring in June 2004.~~

28    ~~(23) Any losses sustained as a result of the fires that occurred~~  
29    ~~in the Counties of Los Angeles, Riverside, San Bernardino, San~~  
30    ~~Diego, and Ventura in October and November 2003, or as a result~~  
31    ~~of floods, mudflows, and debris flows, directly related to fires.~~

32    ~~(24) Any losses sustained in the Counties of Santa Barbara and~~  
33    ~~San Luis Obispo as a result of the San Simeon earthquake,~~  
34    ~~aftershocks, and any other related casualties.~~

35    ~~(25) Any losses sustained as a result of the wildfires that~~  
36    ~~occurred in Shasta County, commencing August 11, 2004, and~~  
37    ~~any other related casualty.~~

38    ~~(26) Any loss sustained in the Counties of Kern, Los Angeles,~~  
39    ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~  
40    ~~and Ventura as a result of the severe rainstorms, related flooding~~

1 and slides, and any other related casualties, that occurred in  
2 December 2004, January 2005, February 2005, March 2005, or  
3 June 2005.

4 (27) Any loss sustained in the Counties of Alameda, Alpine,  
5 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El  
6 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,  
7 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,  
8 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,  
9 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,  
10 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of  
11 the severe rainstorms, related flooding and slides, and any other  
12 related casualties, that occurred in December 2005, January 2006,  
13 March 2006, or April 2006.

14 (28) Any loss sustained in the County of San Bernardino as a  
15 result of the wildfires that occurred in July 2006.

16 (29) Any loss sustained in the Counties of Riverside and Ventura  
17 as a result of wildfires that occurred during the 2006 calendar year.

18 (30) Any loss sustained in the Counties of El Dorado, Fresno,  
19 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San  
20 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa  
21 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject  
22 of the Governor's proclamations of a state of emergency for the  
23 severe freezing conditions that occurred in January 2007.

24 (31) Any loss sustained in the County of El Dorado as a result  
25 of wildfires that occurred in June 2007.

26 (32) Any loss sustained in the Counties of Santa Barbara and  
27 Ventura as a result of the Zaca Fire that occurred during the 2007  
28 calendar year.

29 (33) Any loss sustained in the County of Inyo as a result of  
30 wildfires that commenced in July 2007.

31 (34) Any loss sustained in the Counties of Los Angeles, Orange,  
32 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura  
33 as a result of wildfires that occurred during the 2007 calendar year  
34 that were the subject of the Governor's disaster proclamations of  
35 September 15, 2007, and October 21, 2007.

36 (35) Any loss sustained in the County of Riverside as a result  
37 of extremely strong and damaging winds that occurred in October  
38 2007.

39 (36) Any loss sustained in the Counties of Butte, Kern,  
40 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,

1 Shasta, and Trinity as a result of wildfires that occurred in May or  
2 June 2008 that were the subject of the Governor's proclamations  
3 of a state of emergency.

4 (37) Any loss sustained in the County of Santa Barbara as a  
5 result of wildfires that occurred in July 2008.

6 (38) Any loss sustained in the County of Inyo as a result of the  
7 severe rainstorms, related flooding and landslides, and any other  
8 related casualties, that occurred in July 2008.

9 (39) Any loss sustained in the County of Humboldt as a result  
10 of wildfires that commenced in May 2008.

11 (40) Any loss sustained in the County of Santa Barbara as a  
12 result of wildfires that commenced in November 2008.

13 (41) Any loss sustained in the Counties of Los Angeles and  
14 Ventura as a result of wildfires that commenced in October 2008  
15 or November 2008 that were the subject of the Governor's  
16 proclamations of a state of emergency.

17 (42) Any loss sustained in the Counties of Orange, Riverside,  
18 and San Bernardino as a result of wildfires that commenced in  
19 November 2008.

20 (43) Any loss sustained in the County of Santa Barbara as a  
21 result of wildfires that commenced in May 2009.

22 (44) Any loss sustained in the County of Imperial as a result of  
23 the earthquake that occurred in April 2010.

24 (b) (1) In the case of any loss allowed under Section 165 of the  
25 Internal Revenue Code, relating to losses, any excess disaster loss  
26 shall be carried forward to each of the five taxable years following  
27 the taxable year for which the loss is claimed. However, if there  
28 is any excess disaster loss remaining after the five-year period,  
29 then the applicable percentage, as set forth in paragraph (1) of  
30 subdivision (b) of Section 24416, of that excess disaster loss shall  
31 be carried forward to each of the next 10 taxable years.

32 (2) The entire amount of any excess disaster loss as defined in  
33 subdivision (c) shall be carried to the earliest of the taxable years  
34 to which, by reason of subdivision (b), the loss may be carried.  
35 The portion of the loss which shall be carried to each of the other  
36 taxable years shall be the excess, if any, of the amount of excess  
37 disaster loss over the sum of the net income for each of the prior  
38 taxable years to which that excess disaster loss is carried.

39 (c) "Excess disaster loss" means a disaster loss computed  
40 pursuant to Section 165 of the Internal Revenue Code, which

1 exceeds the net income of the year of loss or, if the election under  
2 Section 165(i) of the Internal Revenue Code is made, the net  
3 income of the year preceding the loss.

4 (d) The provisions of this section and Section 165(i) of the  
5 Internal Revenue Code shall be applicable to any of the losses  
6 listed in subdivision (a) sustained in any county or city in this state  
7 which was proclaimed by the Governor to be in a state of disaster.

8 (e) Any corporation subject to the provisions of Section 25101  
9 or 25101.15 that has disaster losses pursuant to this section, shall  
10 determine the excess disaster loss to be carried to other taxable  
11 years under the principles specified in Section 25108 relating to  
12 net operating losses.

13 (f) Losses allowable under this section may not be taken into  
14 account in computing a net operating loss deduction under Section  
15 172 of the Internal Revenue Code.

16 (g) For losses described in paragraphs (15) to (44), inclusive,  
17 of subdivision (a), the election under Section 165(i) of the Internal  
18 Revenue Code may be made on a return or amended return filed  
19 on or before the due date of the return (determined with regard to  
20 extension) for the taxable year in which the disaster occurred.

21 *SEC. 5. Section 218.3 is added to the Revenue and Taxation*  
22 *Code, to read:*

23 *218.3. (a) For purposes of this section, all of the following*  
24 *apply:*

25 *(1) "Owner" includes a person purchasing the dwelling under*  
26 *a contract of sale or who holds shares or membership in a*  
27 *cooperative housing corporation, which holding is a requisite to*  
28 *the exclusive right of occupancy of a dwelling.*

29 *(2) (A) "Dwelling" means a building, structure, or other shelter*  
30 *constituting a place of abode, whether real property or personal*  
31 *property, and any land on which it may be situated. A two-dwelling*  
32 *unit shall be considered as two separate single-family dwellings.*

33 *(B) "Dwelling" includes the following:*

34 *(i) A single-family dwelling occupied by an owner thereof as*  
35 *his or her principal place of residence on the lien date.*

36 *(ii) A multiple-dwelling unit occupied by an owner thereof on*  
37 *the lien date as his or her principal place of residence.*

38 *(iii) A condominium occupied by an owner thereof as his or her*  
39 *principal place of residence on the lien date.*

1     (iv) *Premises occupied by the owner of shares or a membership*  
2 *interest in a cooperative housing corporation, as defined in*  
3 *subdivision (i) of Section 61, as his or her principal place of*  
4 *residence on the lien date. Each exemption allowed pursuant to*  
5 *this subdivision shall be deducted from the total assessed valuation*  
6 *of the cooperative housing corporation. The exemption shall be*  
7 *taken into account in apportioning property taxes among owners*  
8 *of share or membership interests in the cooperative housing*  
9 *corporations so as to benefit those owners who qualify for the*  
10 *exemption.*

11     (b) *Any dwelling that qualified for an exemption under Section*  
12 *218 prior to April 4, 2010, that was damaged or destroyed by the*  
13 *earthquake and any other related casualty that occurred as a result*  
14 *of the disaster in the County of Imperial, as declared by the*  
15 *Governor in April 2010, and that has not changed ownership since*  
16 *April 4, 2010, shall not be disqualified as a “dwelling” or be*  
17 *denied an exemption under Section 218 solely on the basis that*  
18 *the dwelling was temporarily damaged or destroyed or was being*  
19 *reconstructed by the owner, or was temporarily uninhabited as a*  
20 *result of restricted access to the property due to the earthquake.*

21     (c) *The exemption provided for in subdivision (k) of Section 3*  
22 *of Article XIII of the California Constitution shall first be applied*  
23 *to the building, structure, or other shelter and the excess, if any,*  
24 *shall be applied to any land on which it may be located.*

25     SEC. 6. *Section 17207.3 is added to the Revenue and Taxation*  
26 *Code, to read:*

27     17207.3. (a) *An excess disaster loss, as defined in subdivision*  
28 *(c), shall be carried to other taxable years as provided in*  
29 *subdivision (b), with respect to losses sustained in the County of*  
30 *Imperial as a result of the earthquake that occurred in April 2010.*

31     (b) (1) *In the case of any loss allowed under Section 165(c) of*  
32 *the Internal Revenue Code, relating to limitation of losses of*  
33 *individuals, any excess disaster loss shall be carried forward to*  
34 *each of the five taxable years following the taxable year for which*  
35 *the loss is claimed. However, if there is any excess disaster loss*  
36 *remaining after the five-year period, then the applicable*  
37 *percentage, as set forth in paragraph (1) of subdivision (b) of*  
38 *Section 17276, of that excess disaster loss shall be carried forward*  
39 *to each of the next 10 taxable years.*



1     (2) *The entire amount of any excess disaster loss as defined in*  
2 *subdivision (c) shall be carried to the earliest of the taxable years*  
3 *to which, by reason of subdivision (b), the loss may be carried.*  
4 *The portion of the loss which shall be carried to each of the other*  
5 *taxable years shall be the excess, if any, of the amount of excess*  
6 *disaster loss over the sum of the adjusted taxable income for each*  
7 *of the prior taxable years to which that excess disaster loss is*  
8 *carried.*

9     (c) *“Excess disaster loss” means a disaster loss computed*  
10 *pursuant to Section 165 of the Internal Revenue Code which*  
11 *exceeds the adjusted taxable income of the year of loss or, if the*  
12 *election under Section 165(i) of the Internal Revenue Code is made,*  
13 *the adjusted taxable income of the year preceding the loss.*

14     (d) *The provisions of this section and Section 165(i) of the*  
15 *Internal Revenue Code shall be applicable to any of the losses*  
16 *listed in subdivision (a) sustained in any county or city in this state*  
17 *which was proclaimed by the Governor to be in a state of disaster.*

18     (e) *Losses allowable under this section may not be taken into*  
19 *account in computing a net operating loss deduction under Section*  
20 *172 of the Internal Revenue Code.*

21     (f) *For purposes of this section, “adjusted taxable income” shall*  
22 *be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.*

23     (g) *For losses described in subdivision (a), the election under*  
24 *Section 165(i) of the Internal Revenue Code may be made on a*  
25 *return or amended return filed on or before the due date of the*  
26 *return (determined with regard to extension) for the taxable year*  
27 *in which the disaster occurred.*

28     SEC. 7. *Section 24347.8 is added to the Revenue and Taxation*  
29 *Code, to read:*

30     24347.8. (a) *An excess disaster loss, as defined in subdivision*  
31 *(c), shall be carried to other taxable years as provided in*  
32 *subdivision (b), with respect to losses sustained in the County of*  
33 *Imperial as a result of the earthquake that occurred in April 2010.*

34     (b) (1) *In the case of any loss allowed under Section 165 of the*  
35 *Internal Revenue Code, relating to losses, any excess disaster loss*  
36 *shall be carried forward to each of the five taxable years following*  
37 *the taxable year for which the loss is claimed. However, if there*  
38 *is any excess disaster loss remaining after the five-year period,*  
39 *then the applicable percentage, as set forth in paragraph (1) of*

1 subdivision (b) of Section 24416, of that excess disaster loss shall  
2 be carried forward to each of the next 10 taxable years.

3 (2) The entire amount of any excess disaster loss as defined in  
4 subdivision (c) shall be carried to the earliest of the taxable years  
5 to which, by reason of subdivision (b), the loss may be carried.  
6 The portion of the loss which shall be carried to each of the other  
7 taxable years shall be the excess, if any, of the amount of excess  
8 disaster loss over the sum of the net income for each of the prior  
9 taxable years to which that excess disaster loss is carried.

10 (c) "Excess disaster loss" means a disaster loss computed  
11 pursuant to Section 165 of the Internal Revenue Code, which  
12 exceeds the net income of the year of loss or, if the election under  
13 Section 165(i) of the Internal Revenue Code is made, the net income  
14 of the year preceding the loss.

15 (d) The provisions of this section and Section 165(i) of the  
16 Internal Revenue Code shall be applicable to any of the losses  
17 listed in subdivision (a) sustained in any county or city in this state  
18 which was proclaimed by the Governor to be in a state of disaster.

19 (e) Any corporation subject to the provisions of Section 25101  
20 or 25101.15 that has disaster losses pursuant to this section, shall  
21 determine the excess disaster loss to be carried to other taxable  
22 years under the principles specified in Section 25108 relating to  
23 net operating losses.

24 (f) Losses allowable under this section may not be taken into  
25 account in computing a net operating loss deduction under Section  
26 172 of the Internal Revenue Code.

27 (g) For losses described in subdivision (a), the election under  
28 Section 165(i) of the Internal Revenue Code may be made on a  
29 return or amended return filed on or before the due date of the  
30 return (determined with regard to extension) for the taxable year  
31 in which the disaster occurred.

32 SEC. 8. It is the intent of the Legislature to provide in the  
33 annual Budget Act those additional reimbursements to local  
34 governments that, as a result of Section 5 of this act, are required  
35 by Section 25 of Article XIII of the California Constitution.

36 SEC. 9. The Legislature finds and declares that this act fulfills  
37 a statewide public purpose because of all of the following:

38 (a) The Governor of California has officially proclaimed a state  
39 of emergency declaring that the earthquake that occurred within  
40 the County of Imperial on April 4, 2010, constitutes conditions of

1 extreme peril to public health and safety to persons and property  
2 within that county, thus qualifying affected persons for various  
3 forms of governmental assistance and relief.

4 (b) This act is consistent with, and supplements, the proclaimed  
5 disaster assistance and relief by providing necessary fiscal  
6 assistance and tax relief to affected jurisdictions and persons to  
7 allow them to maintain essential basic services and repair damage  
8 to, and restore, their homes and businesses.

9 SEC. 10. If the Commission on State Mandates determines  
10 that this act contains costs mandated by the state, reimbursement  
11 to local agencies and school districts for those costs shall be made  
12 pursuant to Part 7 (commencing with Section 17500) of Division  
13 4 of Title 2 of the Government Code.

14 SEC. 11. This act is an urgency statute necessary for the  
15 immediate preservation of the public peace, health, or safety within  
16 the meaning of Article IV of the Constitution and shall go into  
17 immediate effect. The facts constituting the necessity are:

18 In order to timely provide essential relief to those persons and  
19 jurisdictions that have suffered damage or loss as a result of the  
20 earthquake that occurred in the County of Imperial on April 4,  
21 2010, that was the subject of the Governor's proclamation of a  
22 state of emergency, it is necessary that this act take effect  
23 immediately.